

1-1 By: Hughes (Senate Sponsor - Eltife) H.B. No. 4212
1-2 (In the Senate - Received from the House May 24, 2015;
1-3 May 24, 2015, read first time and referred to Committee on
1-4 Administration; May 26, 2015, reported favorably by the following
1-5 vote: Yeas 7, Nays 0; May 26, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	Hancock	X		
1-9	Uresti	X		
1-10	Campbell	X		
1-11	Eltife	X		
1-12	Huffines	X		
1-13	Schwertner	X		
1-14	West	X		

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to the creation of the Mineola Area Medical District;
1-18 granting the authority to impose a tax and issue bonds; granting the
1-19 power of eminent domain.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-21 SECTION 1. Subtitle A, Title 3, Special District Local Laws
1-22 Code, is amended by adding Chapter 1120 to read as follows:

1-23 CHAPTER 1120. MINEOLA AREA MEDICAL DISTRICT

1-24 SUBCHAPTER A. GENERAL PROVISIONS

1-25 Sec. 1120.001. DEFINITIONS. In this chapter:

1-26 (1) "Board" means the board of directors of the
1-27 district.

1-28 (2) "Director" means a member of the board.

1-29 (3) "District" means the Mineola Area Medical
1-30 District.

1-31 Sec. 1120.002. DISTRICT AUTHORIZATION. The Mineola Area
1-32 Medical District may be created and, if created, operates and is
1-33 financed as a hospital district as provided by Section 9, Article
1-34 IX, Texas Constitution, and by this chapter.

1-35 Sec. 1120.003. ESSENTIAL PUBLIC FUNCTION. The district is
1-36 a public entity performing an essential public function.

1-37 Sec. 1120.004. DISTRICT TERRITORY. The boundaries of the
1-38 district are coextensive with the boundaries of the Mineola
1-39 Independent School District.

1-40 Sec. 1120.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
1-41 OBLIGATION. The state may not be obligated for the support or
1-42 maintenance of the district.

1-43 Sec. 1120.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
1-44 The legislature may not make a direct appropriation for the
1-45 construction, maintenance, or improvement of a district facility.

1-46 SUBCHAPTER A-1. TEMPORARY PROVISIONS

1-47 Sec. 1120.021. CREATION ELECTION; ORDERING ELECTION. (a)
1-48 The district may be created and a tax may be authorized only if the
1-49 creation and the tax are approved by a majority of the registered
1-50 voters of the territory of the proposed district voting at an
1-51 election called and held for that purpose.

1-52 (b) The Wood County Commissioners Court shall order an
1-53 election for the registered voters of the territory of the proposed
1-54 district on the question of creation of the Mineola Area Medical
1-55 District if the commissioners court receives a petition requesting
1-56 an election that is signed by at least 50 registered voters who are
1-57 residents of the territory of the proposed district.

1-58 (c) The order calling an election under this section must
1-59 state:

1-60 (1) the nature of the election, including the
1-61 proposition that is to appear on the ballot;

- 2-1 (2) the date of the election;
 2-2 (3) the hours during which the polls will be open; and
 2-3 (4) the location of the polling places.

2-4 (d) Section 41.001(a), Election Code, does not apply to an
 2-5 election ordered under this section.

2-6 (e) The Wood County Commissioners Court shall give notice of
 2-7 an election under this section by publishing a substantial copy of
 2-8 the election order in a newspaper with general circulation in Wood
 2-9 County once a week for two consecutive weeks. The first publication
 2-10 must appear not later than the 30th day before the date set for the
 2-11 election.

2-12 (f) The ballot for an election under this section must be
 2-13 printed to permit voting for or against the proposition: "The
 2-14 creation of the Mineola Area Medical District, providing for the
 2-15 imposition of an ad valorem tax at a rate not to exceed 75 cents on
 2-16 each \$100 valuation on all taxable property in the district."

2-17 (g) The Wood County Commissioners Court shall find that the
 2-18 Mineola Area Medical District is created if a majority of the voters
 2-19 voting in the election held under this section favor the creation of
 2-20 the district.

2-21 Sec. 1120.022. TEMPORARY DIRECTORS. (a) If the creation of
 2-22 the district is approved at the election held under Section
 2-23 1120.021, the Wood County Commissioners Court shall appoint nine
 2-24 temporary directors to represent the district at large.

2-25 (b) Temporary directors serve until the date of the next
 2-26 regular election of directors that occurs after the date of the
 2-27 election held under Section 1120.021 and that allows sufficient
 2-28 time to comply with other requirements of law.

2-29 (c) A vacancy on the temporary board of directors shall be
 2-30 filled by appointment by the Wood County Commissioners Court.

2-31 (d) A person must be a qualified voter of the district to
 2-32 serve as a temporary director.

2-33 (e) An employee of the district may not serve as a temporary
 2-34 director.

2-35 Sec. 1120.023. TEMPORARY OFFICERS. (a) The temporary
 2-36 board shall elect a president and a vice president from among the
 2-37 temporary directors.

2-38 (b) The temporary board shall appoint a secretary, who need
 2-39 not be a temporary director.

2-40 (c) The temporary board shall fill a vacancy in a board
 2-41 office for the remainder of the unexpired term.

2-42 SUBCHAPTER B. DISTRICT ADMINISTRATION

2-43 Sec. 1120.051. BOARD ELECTION; TERM. (a) The board
 2-44 consists of nine directors elected at large.

2-45 (b) An election shall be held each year on an authorized
 2-46 uniform election date to elect the appropriate number of directors.

2-47 (c) Directors serve staggered two-year terms.

2-48 Sec. 1120.052. NOTICE. Notice of the directors' election
 2-49 shall be published at least once in a newspaper with general
 2-50 circulation in the district in accordance with Section 4.003(a),
 2-51 Election Code.

2-52 Sec. 1120.053. QUALIFICATION FOR OFFICE. (a) To be
 2-53 eligible to hold office on the board, a person must be:

2-54 (1) a resident of the district; and

2-55 (2) a qualified voter.

2-56 (b) An administrator or an employee of the district may not
 2-57 serve as a director.

2-58 Sec. 1120.054. DIRECTOR'S BOND. (a) Before assuming the
 2-59 duties of office, each director must execute a bond in the amount of
 2-60 \$5,000 payable to the district and conditioned on the faithful
 2-61 performance of the director's duties.

2-62 (b) The bond shall be kept in the permanent records of the
 2-63 district.

2-64 (c) The board may pay for a director's bond with district
 2-65 money.

2-66 Sec. 1120.055. BOARD VACANCY. If a vacancy occurs in the
 2-67 office of director, the remaining directors shall appoint a
 2-68 director for the remainder of the unexpired term.

2-69 Sec. 1120.056. OFFICERS. (a) The board shall elect a

3-1 president and a vice president from among the directors.
 3-2 (b) The board shall appoint a secretary, who need not be a
 3-3 director.
 3-4 (c) Each officer of the board serves a one-year term.
 3-5 (d) The board shall fill a vacancy in a board office for the
 3-6 remainder of the unexpired term.
 3-7 Sec. 1120.057. COMPENSATION; REIMBURSEMENT. A director or
 3-8 officer serves without compensation but may be reimbursed for
 3-9 actual expenses incurred in the performance of official duties.
 3-10 The expenses must be:
 3-11 (1) reported in the district's records; and
 3-12 (2) approved by the board.
 3-13 Sec. 1120.058. VOTING REQUIREMENT. A concurrence of a
 3-14 majority of the directors voting is necessary in matters relating
 3-15 to district business.
 3-16 Sec. 1120.059. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S
 3-17 BOND. (a) The board may appoint a qualified person as district
 3-18 administrator.
 3-19 (b) The district administrator serves at the will of the
 3-20 board.
 3-21 (c) The district administrator is entitled to compensation
 3-22 determined by the board.
 3-23 (d) Before assuming the duties of district administrator,
 3-24 the administrator must execute a bond payable to the district in an
 3-25 amount not less than \$5,000, as determined by the board,
 3-26 conditioned on the faithful performance of the administrator's
 3-27 duties.
 3-28 (e) The board may pay for the bond with district money.
 3-29 Sec. 1120.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
 3-30 Subject to the limitations prescribed by the board, the district
 3-31 administrator shall:
 3-32 (1) supervise the work and activities of the district;
 3-33 and
 3-34 (2) direct the general affairs of the district.
 3-35 Sec. 1120.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.
 3-36 (a) The board may appoint qualified persons as assistant district
 3-37 administrator and attorney for the district.
 3-38 (b) The assistant district administrator and attorney for
 3-39 the district serve at the will of the board.
 3-40 (c) The assistant district administrator and attorney for
 3-41 the district are entitled to compensation determined by the board.
 3-42 Sec. 1120.062. EMPLOYEES. (a) The district may employ
 3-43 nurses, technicians, fiscal agents, accountants, architects,
 3-44 additional attorneys, and other necessary employees.
 3-45 (b) The board may delegate to the district administrator the
 3-46 authority to employ persons for the district.
 3-47 Sec. 1120.063. APPOINTMENT AND REMOVAL OF MEDICAL STAFF.
 3-48 The board may:
 3-49 (1) appoint to the medical staff any doctor the board
 3-50 considers necessary for the efficient operation of the district;
 3-51 (2) remove any doctor from the medical staff, after
 3-52 due process, if the board considers the doctor's removal necessary
 3-53 for the efficient operation of the district; and
 3-54 (3) make temporary appointments to the medical staff
 3-55 as the board considers necessary.
 3-56 Sec. 1120.064. RETIREMENT BENEFITS. The board may provide
 3-57 retirement benefits for district employees by:
 3-58 (1) establishing or administering a retirement
 3-59 program; or
 3-60 (2) participating in:
 3-61 (A) the Texas County and District Retirement
 3-62 System; or
 3-63 (B) another statewide retirement system in which
 3-64 the district is eligible to participate.
 3-65 SUBCHAPTER C. POWERS AND DUTIES
 3-66 Sec. 1120.101. DISTRICT RESPONSIBILITY. The district has
 3-67 full responsibility for operating hospital facilities and
 3-68 providing medical and hospital care for the district's needy
 3-69 residents.

4-1 Sec. 1120.102. MANAGEMENT, CONTROL, AND ADMINISTRATION.
4-2 The board shall manage, control, and administer the hospital system
4-3 and the money and resources of the district.

4-4 Sec. 1120.103. RULES. The board may adopt rules governing:
4-5 (1) the operation of the hospital and hospital system;
4-6 and
4-7 (2) the duties, functions, and responsibilities of
4-8 district staff and employees.

4-9 Sec. 1120.104. PURCHASING AND ACCOUNTING PROCEDURES. The
4-10 board may prescribe:

4-11 (1) the method of making purchases and expenditures by
4-12 and for the district; and

4-13 (2) accounting and control procedures for the
4-14 district.

4-15 Sec. 1120.105. PROVISION OF CERTAIN HEALTH SERVICES. (a)
4-16 The district may operate or provide for the operation of a mobile
4-17 emergency medical service.

4-18 (b) The district may operate or provide for home health
4-19 services, long-term care, skilled nursing care, intermediate
4-20 nursing care, or hospice care.

4-21 Sec. 1120.106. DISTRICT PROPERTY, FACILITIES, AND
4-22 EQUIPMENT. (a) The board shall determine:

4-23 (1) the type, number, and location of buildings
4-24 required to maintain an adequate hospital system; and

4-25 (2) the type of equipment necessary for hospital care.

4-26 (b) The board may:

4-27 (1) acquire property, facilities, and equipment for
4-28 the district for use in the hospital system;

4-29 (2) mortgage or pledge the property, facilities, or
4-30 equipment as security for payment of the purchase price;

4-31 (3) sell or otherwise dispose of property, facilities,
4-32 or equipment for the district; or

4-33 (4) lease hospital facilities for the district.

4-34 Sec. 1120.107. OPERATING AND MANAGEMENT CONTRACTS. The
4-35 board may enter into operating or management contracts relating to
4-36 hospital facilities for the district.

4-37 Sec. 1120.108. SERVICE CONTRACTS. (a) The board may
4-38 contract with a public or private hospital, a political subdivision
4-39 of the state, or a state or federal agency for the district to
4-40 provide a mobile emergency medical service or other health care
4-41 services needed to provide for the investigatory or welfare needs
4-42 of residents of the district.

4-43 (b) The board may contract with a person to receive or
4-44 supply the services the board considers necessary for the effective
4-45 operation of the district.

4-46 Sec. 1120.109. EMINENT DOMAIN. (a) The district may
4-47 exercise the power of eminent domain to acquire a fee simple or
4-48 other interest in property located in district territory if the
4-49 interest is necessary for the district to exercise the rights or
4-50 authority conferred by this chapter.

4-51 (b) The district must exercise the power of eminent domain
4-52 in the manner provided by Chapter 21, Property Code, except that the
4-53 district is not required to deposit with the trial court money or a
4-54 bond as provided by Section 21.021(a), Property Code.

4-55 (c) In a condemnation proceeding brought by the district,
4-56 the district is not required to:

4-57 (1) pay in advance or provide bond or other security
4-58 for costs in the trial court;

4-59 (2) provide bond for the issuance of a temporary
4-60 restraining order or a temporary injunction; or

4-61 (3) provide a bond for costs or a supersedeas bond on
4-62 an appeal or petition for review.

4-63 Sec. 1120.110. COST OF RELOCATING OR ALTERING PROPERTY. In
4-64 exercising the power of eminent domain, if the board requires
4-65 relocating, raising, lowering, rerouting, changing the grade, or
4-66 altering the construction of any railroad, highway, pipeline, or
4-67 electric transmission and electric distribution, telegraph, or
4-68 telephone line, conduit, pole, or facility, the district shall pay
4-69 the actual cost of that activity to provide a comparable

5-1 replacement, without enhancement of facilities, after deducting
 5-2 the net salvage value derived from the old facility.

5-3 Sec. 1120.111. GIFTS AND ENDOWMENTS. The board may accept
 5-4 for the district a gift or endowment to be held in trust for any
 5-5 purpose and under any direction, limitation, or provision in
 5-6 writing by the donor that is consistent with the proper management
 5-7 of the district.

5-8 Sec. 1120.112. PAYMENT FOR TREATMENT; PROCEDURES. (a)
 5-9 When a person who resides in the district is admitted as a patient
 5-10 to a district facility, the district administrator may have an
 5-11 inquiry made into the financial circumstances of:

5-12 (1) the patient; and

5-13 (2) a relative of the patient who is legally
 5-14 responsible for the patient's support.

5-15 (b) To the extent that the patient or a relative of the
 5-16 patient who is legally responsible for the patient's support cannot
 5-17 pay for care and treatment provided by the district, the district
 5-18 shall supply the care and treatment without charging the patient or
 5-19 the patient's relative.

5-20 (c) On determining that the patient or a relative legally
 5-21 responsible for the patient's support can pay for all or part of the
 5-22 care and treatment provided by the district, the district
 5-23 administrator shall report that determination to the board, and the
 5-24 board shall issue an order directing the patient or the relative to
 5-25 pay the district a specified amount each week. The amount must be
 5-26 based on the person's ability to pay.

5-27 (d) The district administrator may collect money owed to the
 5-28 district from the patient's estate or from that of a relative
 5-29 legally responsible for the patient's support in the manner
 5-30 provided by law for the collection of expenses in the last illness
 5-31 of a deceased person.

5-32 (e) If there is a dispute relating to a person's ability to
 5-33 pay or if the district administrator has any doubt concerning a
 5-34 person's ability to pay, the board shall call witnesses, hear and
 5-35 resolve the question, and issue a final order. The order may be
 5-36 appealed to a district court in any county in which the district is
 5-37 located. The substantial evidence rule applies to an appeal under
 5-38 this subsection.

5-39 Sec. 1120.113. REIMBURSEMENT FOR SERVICES. (a) The board
 5-40 shall require a county, municipality, or public hospital located
 5-41 outside of the district to reimburse the district for the
 5-42 district's care and treatment of a sick or injured person of that
 5-43 county, municipality, or hospital, as provided by Chapter 61,
 5-44 Health and Safety Code.

5-45 (b) The board shall require the sheriff of Wood County to
 5-46 reimburse the district for the district's care and treatment of a
 5-47 person who is confined in a jail facility of Wood County and is not a
 5-48 resident of the district.

5-49 (c) On behalf of the district, the board may contract with
 5-50 the state or federal government for that government to reimburse
 5-51 the district for treatment of a sick or injured person.

5-52 Sec. 1120.114. AUTHORITY TO SUE AND BE SUED. The board may
 5-53 sue and be sued on behalf of the district.

5-54 Sec. 1120.115. CONSTRUCTION CONTRACTS; ADVERTISING FOR
 5-55 CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a
 5-56 construction contract on the district's behalf.

5-57 (b) The board may enter into a construction contract only
 5-58 after competitive bidding as provided by Subchapter B, Chapter 271,
 5-59 Local Government Code, if the amount of the contract is greater than
 5-60 the amount provided by Section 271.024 of that code.

5-61 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

5-62 Sec. 1120.151. BUDGET. (a) The district administrator
 5-63 shall prepare a proposed annual budget for the district.

5-64 (b) The proposed budget must contain a complete financial
 5-65 statement, including a statement of:

5-66 (1) the outstanding obligations of the district;

5-67 (2) the amount of cash on hand to the credit of each
 5-68 fund of the district;

5-69 (3) the amount of money received by the district from

6-1 all sources during the previous year;
6-2 (4) the amount of money available to the district from
6-3 all sources during the ensuing year;
6-4 (5) the amount of the balances expected at the end of
6-5 the year in which the budget is being prepared;
6-6 (6) the estimated amount of revenues and balances
6-7 available to cover the proposed budget; and
6-8 (7) the estimated tax rate required.
6-9 Sec. 1120.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
6-10 The board shall hold a public hearing on the proposed budget.
6-11 (b) The board shall publish notice of the hearing in a
6-12 newspaper with general circulation in the district not later than
6-13 the 10th day before the date of the hearing.
6-14 (c) Any district resident is entitled to be present and
6-15 participate at the hearing.
6-16 (d) At the conclusion of the hearing, the board shall adopt
6-17 a budget by acting on the budget proposed by the district
6-18 administrator. The board may make a change in the proposed budget
6-19 that the board determines to be in the interests of the taxpayers.
6-20 (e) The budget is effective only after adoption by the
6-21 board.
6-22 Sec. 1120.153. AMENDMENT OF BUDGET. After the budget is
6-23 adopted, the budget may be amended on the board's approval.
6-24 Sec. 1120.154. FISCAL YEAR. (a) The district operates
6-25 according to a fiscal year established by the board.
6-26 (b) The fiscal year may not be changed:
6-27 (1) during a period in which revenue bonds of the
6-28 district are outstanding; or
6-29 (2) more than once in a 24-month period.
6-30 Sec. 1120.155. ANNUAL AUDIT. The board shall have an annual
6-31 audit made of the financial condition of the district.
6-32 Sec. 1120.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT
6-33 RECORDS. The annual audit and other district records are open to
6-34 inspection during regular business hours at the principal office of
6-35 the district.
6-36 Sec. 1120.157. FINANCIAL REPORT. As soon as practicable
6-37 after the close of each fiscal year, the district administrator
6-38 shall prepare for the board a sworn statement of the amount of
6-39 district money and an account of the disbursement of that money.
6-40 Sec. 1120.158. DEBT LIMITATION. Except as provided by this
6-41 chapter and Chapter 1207, Government Code, the district may not
6-42 incur a debt payable from district revenue other than revenue
6-43 available in the current fiscal year and the immediately following
6-44 fiscal year of the district.
6-45 Sec. 1120.159. DEPOSITORY. (a) The board shall select at
6-46 least one bank to serve as a depository for district money.
6-47 (b) The board may solicit bids from local financial
6-48 institutions to determine which institution may serve as a
6-49 depository for district money.
6-50 (c) District money, other than money invested as provided by
6-51 Section 1120.160 and money transmitted to a bank for payment of
6-52 bonds or obligations issued or assumed by the district, shall be
6-53 deposited as received with the depository bank and shall remain on
6-54 deposit. This subsection does not limit the board's power to place
6-55 part of the district's money on time deposit or to purchase
6-56 certificates of deposit.
6-57 Sec. 1120.160. RESTRICTION ON INVESTMENT. The board may
6-58 invest operating, depreciation, or building reserves only in funds
6-59 or securities specified by Chapter 2256, Government Code.
6-60 SUBCHAPTER E. BONDS
6-61 Sec. 1120.201. GENERAL OBLIGATION BONDS. If authorized by
6-62 an election, the board may issue and sell general obligation bonds
6-63 in the name and on the faith and credit of the district to:
6-64 (1) purchase, construct, acquire, repair, or renovate
6-65 buildings or improvements;
6-66 (2) equip buildings or improvements for hospital
6-67 purposes; or
6-68 (3) acquire and operate a mobile emergency medical
6-69 service.

7-1 Sec. 1120.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
7-2 the time general obligation bonds are issued by the district under
7-3 Section 1120.201, the board shall impose an ad valorem tax in an
7-4 amount sufficient to create an interest and sinking fund to pay the
7-5 principal of and interest on the bonds as the bonds mature.

7-6 (b) The tax required by this section together with any other
7-7 tax the district imposes in any year may not exceed the limit
7-8 approved by the voters at the election authorizing the imposition
7-9 of taxes.

7-10 Sec. 1120.203. GENERAL OBLIGATION BOND ELECTION. (a) The
7-11 district may issue general obligation bonds only if the bonds are
7-12 authorized by a majority of the voters voting in an election held
7-13 for that purpose.

7-14 (b) The board may order a bond election. The order calling
7-15 the election must specify:

- 7-16 (1) the nature and date of the election;
- 7-17 (2) the hours during which the polls will be open;
- 7-18 (3) the location of polling places;
- 7-19 (4) the amounts of the bonds to be authorized; and
- 7-20 (5) the maximum maturity of the bonds.

7-21 (c) Notice of a bond election must be given as provided by
7-22 Chapter 1251, Government Code.

7-23 (d) The board shall declare the results of the election.

7-24 Sec. 1120.204. REVENUE BONDS. (a) The board may issue
7-25 revenue bonds to:

- 7-26 (1) acquire, purchase, construct, repair, renovate,
7-27 or equip buildings or improvements for hospital purposes;
- 7-28 (2) acquire sites to be used for hospital purposes; or
- 7-29 (3) acquire and operate a mobile emergency medical
7-30 service to assist the district in carrying out its hospital
7-31 purposes.

7-32 (b) The bonds must be payable from and secured by a pledge of
7-33 all or part of the revenues derived from the operation of the
7-34 district's hospital system.

7-35 (c) The bonds may be additionally secured by a mortgage or
7-36 deed of trust lien on all or part of the district property.

7-37 (d) The bonds must be issued in the manner provided by
7-38 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049,
7-39 Health and Safety Code, for issuance of revenue bonds by county
7-40 hospital authorities.

7-41 Sec. 1120.205. MATURITY. District bonds must mature not
7-42 later than 40 years after the date of their issuance.

7-43 Sec. 1120.206. EXECUTION OF BONDS. (a) The board president
7-44 shall execute district bonds in the district's name.

7-45 (b) The board secretary shall countersign the bonds in the
7-46 manner provided by Chapter 618, Government Code.

7-47 Sec. 1120.207. BONDS NOT SUBJECT TO TAXATION. The
7-48 following are not subject to taxation by the state or by a political
7-49 subdivision of the state:

- 7-50 (1) bonds issued by the district;
- 7-51 (2) any transaction relating to the bonds; and
- 7-52 (3) profits made in the sale of the bonds.

7-53 SUBCHAPTER F. AD VALOREM TAX

7-54 Sec. 1120.251. IMPOSITION OF AD VALOREM TAX. (a) The board
7-55 shall impose a tax on all property in the district subject to
7-56 hospital district taxation.

7-57 (b) The tax may be used to pay:

- 7-58 (1) indebtedness issued or assumed by the district;
- 7-59 and
- 7-60 (2) the maintenance and operating expenses of the
7-61 district.

7-62 (c) The district may not impose a tax to pay the principal of
7-63 or interest on revenue bonds issued under this chapter.

7-64 Sec. 1120.252. TAX RATE. (a) The tax rate on all taxable
7-65 property in the district for all purposes may not exceed 75 cents on
7-66 each \$100 valuation of the property according to the most recent
7-67 certified tax appraisal roll of the district.

7-68 (b) In setting the tax rate, the board shall consider
7-69 district income from sources other than taxation.

8-1 Sec. 1120.253. TAX ASSESSOR-COLLECTOR. The board may
 8-2 provide for the appointment of a tax assessor-collector for the
 8-3 district or may contract for the assessment and collection of taxes
 8-4 as provided by the Tax Code.

8-5 SUBCHAPTER G. DISSOLUTION

8-6 Sec. 1120.301. DISSOLUTION; ELECTION. (a) The district
 8-7 may be dissolved only on approval of a majority of the voters voting
 8-8 in an election held for that purpose.

8-9 (b) The board may order an election on the question of
 8-10 dissolving the district and disposing of the district's assets and
 8-11 obligations.

8-12 (c) The board shall order an election if the board receives
 8-13 a petition requesting an election that is signed by at least 15
 8-14 percent of the district's registered voters.

8-15 (d) The order calling the election must state:

8-16 (1) the nature of the election, including the
 8-17 proposition that is to appear on the ballot;

8-18 (2) the date of the election;

8-19 (3) the hours during which the polls will be open; and

8-20 (4) the location of the polling places.

8-21 (e) Section 41.001(a), Election Code, does not apply to an
 8-22 election ordered under this section.

8-23 Sec. 1120.302. NOTICE OF ELECTION. (a) The board shall
 8-24 give notice of an election under this subchapter by publishing a
 8-25 substantial copy of the election order in a newspaper with general
 8-26 circulation in the district once a week for two consecutive weeks.

8-27 (b) The first publication must appear not later than the
 8-28 30th day before the date set for the election.

8-29 Sec. 1120.303. BALLOT. The ballot for an election under
 8-30 this subchapter must be printed to permit voting for or against the
 8-31 proposition: "The dissolution of the Mineola Area Medical
 8-32 District."

8-33 Sec. 1120.304. ELECTION RESULTS. (a) If a majority of the
 8-34 votes in an election under this subchapter favor dissolution, the
 8-35 board shall order that the district be dissolved.

8-36 (b) If a majority of the votes in an election under this
 8-37 subchapter do not favor dissolution, the board shall continue to
 8-38 administer the district, and another election on the question of
 8-39 dissolution may not be held before the first anniversary of the date
 8-40 of the most recent election to dissolve the district.

8-41 Sec. 1120.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)
 8-42 If a majority of the votes in an election under this subchapter
 8-43 favor dissolution, the board shall:

8-44 (1) transfer the land, buildings, improvements,
 8-45 equipment, and other assets belonging to the district to Wood
 8-46 County or another governmental entity in Wood County; or

8-47 (2) administer the property, assets, and debts of the
 8-48 district until all money has been disposed of and all district debts
 8-49 have been paid or settled.

8-50 (b) If the board makes the transfer under Subsection (a)(1),
 8-51 the county or entity assumes all debts and obligations of the
 8-52 district at the time of the transfer and the district is dissolved.

8-53 (c) If Subsection (a)(1) does not apply and the board
 8-54 administers the property, assets, and debts of the district under
 8-55 Subsection (a)(2), the district is dissolved when all money has
 8-56 been disposed of and all district debts have been paid or settled.

8-57 Sec. 1120.306. IMPOSITION OF TAX AND RETURN OF SURPLUS
 8-58 TAXES. (a) After the board determines that the district is
 8-59 dissolved, the board shall:

8-60 (1) determine the debt owed by the district; and

8-61 (2) impose on the property included in the district's
 8-62 tax rolls a tax that is in proportion of the debt to the property
 8-63 value.

8-64 (b) On the payment of all outstanding debts and obligations
 8-65 of the district, the board shall order the secretary to return to
 8-66 each district taxpayer the taxpayer's pro rata share of all unused
 8-67 tax money.

8-68 (c) A taxpayer may request that the taxpayer's share of
 8-69 surplus tax money be credited to the taxpayer's county taxes. If a

9-1 taxpayer requests the credit, the board shall direct the secretary
9-2 to transmit the funds to the tax assessor-collector for the county
9-3 in which the taxpayer resides.

9-4 Sec. 1120.307. REPORT; DISSOLUTION ORDER. (a) After the
9-5 district has paid all its debts and has disposed of all its money
9-6 and other assets as prescribed by this subchapter, the board shall
9-7 file a written report with the Wood County Commissioners Court
9-8 summarizing the board's actions in dissolving the district.

9-9 (b) Not later than the 10th day after the date the Wood
9-10 County Commissioners Court receives the report and determines that
9-11 the requirements of this subchapter have been fulfilled, the
9-12 commissioners court shall enter an order dissolving the district
9-13 and releasing the board from any further duty or obligation.

9-14 SECTION 2. (a) The members of the board of directors of the
9-15 Mineola Area Medical District elected at the first election held
9-16 under Section 1120.051, Special District Local Laws Code, as added
9-17 by this Act, shall draw lots to determine which five directors serve
9-18 a two-year term and which four directors serve a one-year term.

9-19 (b) Successor directors shall serve two-year terms.

9-20 SECTION 3. (a) Except as provided by Subsection (b) of this
9-21 section, this Act takes effect immediately if it receives a vote of
9-22 two-thirds of all the members elected to each house, as provided by
9-23 Section 39, Article III, Texas Constitution.

9-24 (b) If this Act does not receive the vote necessary for
9-25 immediate effect:

9-26 (1) this Act takes effect September 1, 2015; and

9-27 (2) Section 1120.109, Special District Local Laws
9-28 Code, as added by this Act, has no effect.

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